

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
2003-09

2. STATE
MS

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
Technical Corrections

7. FEDERAL BUDGET IMPACT:
a. FFY 2004 \$ -0-
b. FFY 2005 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D, Pages 8-9, 26-30, & 32-33

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-D, Pages 8-9, 26-30, & 32-33

10. SUBJECT OF AMENDMENT: This State Plan Amendment is being filed to change the payment methodology for the interim rates upon a change of ownership, change of facility classification or change in number of certified beds by one-third or more. The table of contents is being amended to reflect changes made to the body of the State Plan in a previous amendment. Various technical corrections are also being made.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Rica Lewis-Payton

14. TITLE: Executive Director

15. DATE SUBMITTED: November 12, 2003

16. RETURN TO:

Rica Lewis-Payton, Executive Director
Miss. Division of Medicaid
Attn: Rose Compere
239 North Lamar Street, Suite 801
Jackson, MS 39201-1399

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

NOV 14 2003

18. DATE APPROVED:

APR 29 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

OCT - 1 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

Brown for Smit

21. TYPED NAME:

Charlene Brown

22. TITLE:

Deputy Director, CMSO

23. REMARKS:

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Facilities that undergo a change of ownership must file a cost report from the date of the change of ownership through the end of the third month of ownership. The Division of Medicaid may shorten or lengthen the reporting period of the initial cost report to not less than one (1) month or not more than four (4) months.

The base rate of the old owner will be used to set the interim rate for the new owner, excluding hold harmless payment and return on equity. Upon request, the new owner's rate will be set reflecting the maximum per diem rate for the interim period. The maximum per diem rate is defined as the maximum base rate for direct care and care related costs, allocated between the two cost centers based on the cost report filed by the previous owner that was used to compute the rate in effect on the date of the change of ownership, and adjusted for the case mix of the previous owner for the appropriate calendar quarter, plus the ceiling for administrative and operating costs, plus the gross rental per diem payment computed under the fair rental system as defined by this plan. Under the maximum rate, the new owner will not receive a return on equity capital per diem or a property tax and insurance per diem until the initial cost report is filed. Quarterly rate adjustments will be made to adjust for changes in the case mix score.

The new owner's interim rates will be adjusted retroactively based on the initial cost report, after desk review. The rates computed based on the initial cost report of the new owner will be effective beginning the same date the change of ownership was effective.

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The seller must file a final cost report with the Division of Medicaid from the date of the last cost report to the effective date of the sale.

A facility that undergoes a change of ownership must notify the Division of Medicaid in writing of the effective date of the sale. The seller's provider number will be closed and a new provider number assigned to the new owner after the new owner submits the provider enrollment information required under Division of Medicaid policy. The new owner is not allowed to use the provider number of the old owner to file claims for reimbursement.

For sales of assets finalized on or after July 1, 1993, there will be no recapture of depreciation.

N. Increase or Decrease in Number of Medicaid Certified Beds

Facilities which either increase or decrease the number of certified beds by less than one-third ($1/3$) the current number of certified beds will not be required to file a short-period cost report when the increase or decrease in the number of certified beds does not result in a change of facility classification. The per diem rate

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will be revised whenever the number of Medicaid-certified beds changes, however, to reflect the correct number of certified beds and to reflect the proper annualized patient days for the property and return on equity portions of the rate.

Changes that either increase or decrease by one-third (1/3) or more the number of certified beds, must be approved effective the first day of a month. Facilities must file a cost report from the effective date of the increase or decrease of one-third (1/3) or more certified beds through the end of the third calendar month following the effective date of the increase or decrease. The Division of Medicaid may shorten or lengthen the reporting period of the initial cost report to not less than two (2) months or not more than four (4) months. These facilities must also file a cost report for the period from the date of the last cost report to the effective date of the increase or decrease in the number of beds that results in a change of one-third or more the number of certified beds.

Effective the date of the one-third (1/3) or more change, the interim per diem rate will be revised from the existing rate only to reflect the correct number of certified beds and to reflect the proper annualized patient days for the property and return on equity portions of the rate. Upon request, the facility's interim rate will also be revised to pay the ceilings for direct care and care-related and administrative and operating costs. The facility's interim rates will be adjusted retroactively based on the initial cost report, after desk review. The rates computed based on the initial cost report of the facility will be effective beginning the same date the increase or decrease in the number of beds occurred.

O. New Providers

Nursing Facilities and ICF-MR's beginning operations during a reporting year will file an initial cost report from the date of certification to the end of the third (3rd) month of operation. The Division of Medicaid may lengthen the reporting period of the initial cost report to not more than six (6) months. PRTF's beginning operations during a reporting year will file a cost report from the date of certification to the end of the sixth (6th) month of operation. Facilities will be paid the maximum rate for their classification until the initial cost report is received and the rate is calculated. The maximum rate for nursing facilities is

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defined as the ceiling for direct care and care related costs paid based on a case mix of 1.000 plus the ceiling for administrative and operating costs and the gross rental per diem payment as computed under the plan. Quarterly rate adjustments will be made to adjust for changes in the case mix score, once available. The maximum rate for ICF-MR's and PRTF's is defined as the ceiling for direct care, therapies, care related, administrative and operating plus the gross rental per diem as computed under the plan. New facilities will not be paid a return on equity per diem or a property tax and insurance per diem until the initial cost report is filed.

A retroactive rate adjustment to the initial certification date will be made based on the initial cost report, after desk review.

Applicable facility-average case mix score(s) will be applied to nursing facility rates.

For example, a new nursing facility provider enrolls in the Medicaid program effective August 15, 2000. The facility's interim per diem rate is set at the maximum rate for its classification, as defined above. The direct care and care related payment would equal the ceiling, due to use of a case mix score of 1.000. A cost report would be required for the period August 15, 2000 through October 31, 2000. The Division of Medicaid would issue a desk review after receipt and review of

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the cost report. In addition, the Division of Medicaid would prepare an "Annual" case mix report to determine the case mix score for the cost report period. A "Quarter Final" case mix report would be prepared to determine the case mix score for each quarter beginning with the quarter July 1, 2000 through September 30, 2000. The facility's rates for the period August 15, 2000 through December 31, 2001 would be calculated using actual cost and census data from the August 15 through October 31 cost report, after desk review. The case mix reports would also be used in calculating the rates. The initial Quarter Final case mix score would be used for the rate periods beginning August 15, 2000; October 1, 2000; and January 1, 2000. The following quarters' rates would be set on the normal schedule using the Quarter Final roster score from the second preceding quarter.

P. Out-of-State Providers

Nursing Facilities, PRTF's and ICF-MR's from states other than Mississippi may file claims for services provided to Mississippi Medicaid recipients that are

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return on equity per diem or a property tax and insurance per diem. The gross rental per diem used in determining the maximum rate will be based on submitted property information from the provider or a thirty-year age in the absence of provider information.

C. Change of Classification

Changes in the number of Medicaid certified beds resulting in a change of classification must be approved effective the first day of a month.

Facilities that undergo a change of classification must file a cost report from the date of the change of classification through the end of the third month following the change. The Division of Medicaid may shorten or lengthen the reporting period of the initial cost report to not less than one (1) month or not more than four (4) months.

Facilities must also file a cost report for the period from the last cost report period to the date of the change.

Effective the date of the change, the interim per diem rate will be changed from the existing rate to reflect the correct number of certified beds and to reflect the proper annualized patient days for the property and return on equity portions of the rate. In addition, the existing rate will be revised to apply the Administrative and Operating ceiling for the new classification. Upon request, the facility's interim rate will also be revised to pay the ceilings for direct care and care related and administrative and operating costs. The facility's interim rates will be adjusted retroactively based on the initial cost report,

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after desk review. The rates computed based on the initial cost report of the facility will be effective beginning the same date the change of classification occurred.

1-4 Resident Fund Accounts

Nursing Facilities, ICF-MR's, and PRTF's must account for the facility's resident fund accounts in accordance with policies and procedures adopted by the Division of Medicaid. These policies and procedures are contained in the appropriate provider manuals.

Audits will be conducted of all resident fund accounts each year. Results of the audits will be reported to the Mississippi State Department of Health, Division of Health Facilities Licensure and Certification.

1-5 Admission, Transfer, and Discharge Rights

The facility must establish and practice admission, discharge, and transfer policies which comply with federal and state regulations. Long-term care facilities that participate in the Medicaid program are prohibited from requiring any resident or any resident's family member or representative to give a notice prior to discharge in order to require payment from that resident, family member or representative for days after the discharge date.

1-6 Payments to Providers

A. Acceptance of Payment

Participation in the Title XIX Program will be limited to those providers that agree to accept, as payment in full, the amounts

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